

FISCAL NOTE

Bill #: HB0518

Title: Single advertisement for state human resource positions

Primary Sponsor: Lindeen, M

Status: As Amended in First Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	(\$107,863)	(\$107,863)
State Special Revenue	(\$99,922)	(\$99,922)
Federal Special Revenue	(\$50,390)	(\$50,390)
Proprietary	\$116,316	\$116,316
Other	(\$2,912)	(\$2,912)
Revenue:		
Proprietary	\$147,144	\$147,144
Net Impact on General Fund Balance:	\$107,863	\$107,863

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. First reading amendments specifically exclude the Judicial Branch. Amounts included in this fiscal note include both the Executive and Legislative Branches, excluding the Montana University System.
2. Any savings realized by individual state agencies will be re-directed by the agency to help mitigate budget reductions already adopted by the joint appropriations subcommittees.
3. Recruitment advertising costs were compiled from actual charges incurred in FY 2002 by all agencies, excluding the Montana University System. Recruitment expenditures were assumed to be recorded in the Statewide Accounting, Budgeting, and Human Resource System (SABHRS) accounts 62309, 62315, and 62815. Surveys were sent to every agency requesting that they identify, by fund type, the total recruitment costs recorded under these expenditure codes, and recruiting costs recorded in any other SABHRS accounts. A number of agencies use the above expenditure codes to record costs incurred for non-recruiting advertisements and announcements, and recruitment activities in sources other than the newspaper. Most agencies did not separately disclose what part of their newspaper recruitment ads were

Fiscal Note Request HB0518, As Amended in First Reading

(continued)

related to ads that ran in papers other than the five large Montana newspapers. For purposes of this fiscal note, if an agency did not separately identify its cost of recruitment ads in the Montana Newspaper Group, identified in assumption # 6, then the assumption was made that 60 percent of an agency's recruitment advertising costs were for advertising in the Montana group. The remaining 40 percent was assumed to be their cost of local advertising.

4. If an agency did not provide the funding source for its recruitment activities, fund source was estimated by allocating recruiting costs in the same proportion of the agency's actual FY 2002 advertising costs, by fund type, to total advertising expenditures reported in the accounts identified in assumption # 3.
5. A small number of agencies did not respond to the survey, and in these cases the total dollar amounts recorded in account 62815 (recruiting) were assumed to all be attributable to newspaper ads for recruiting activities, whereas the dollars reported in 62309 (advertising) and 62315 (newspaper advertising) were assumed to be expenditures related to non-recruiting activities. However, if a non-responding agency had no amount recorded in 62815, the amounts in 62309 and 62315 were assumed to be newspaper recruitment.
6. Contributions from the agencies to pay for centralized newspaper recruiting were calculated at \$12 per FTE in each year. FTE counts were derived from MBARS data for the 2005 biennium, version W01, as of 11/4/02. FTE counts are assumed not to change throughout the biennium.
7. The five major Montana newspapers were surveyed to obtain their costs for running a Sunday display ad in the classified advertising section, measuring three columns by 8 inches (a 24 square inch ad), for 52 weeks. It was assumed that the Department of Administration would have a signed agreement with each newspaper which would entitle the department to a lower cost on its advertising. There is no cost for entering into these agreements with the newspapers. The price quotes obtained from the newspapers, in cost per inch with a signed contract, are as follows:
 - a. The Missoulian \$17.00
 - b. Montana Standard 15.37
 - c. Great Falls Tribune 23.65
 - d. Billings Gazette 37.30
 - e. Independent Record 12.82
8. The cost of preparing the consolidated state advertisement, for submission to each of the five newspapers named in assumption # 7, would be absorbed within the Department of Administration's annual appropriation.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
State Agencies		
<u>Expenditures:</u>		
Operating Expenses	(\$277,233)	(\$277,233)
<u>Funding of Expenditures:</u>		
General Fund (01)	(\$107,863)	(\$107,863)
State Special Revenue (02)	(99,922)	(99,922)
Federal Special Revenue (03)	(50,390)	(50,390)
Proprietary (06)	(16,147)	(16,147)
Other	(2,912)	(2,912)
TOTAL	(\$277,233)	(\$277,233)

Fiscal Note Request HB0518, As Amended in First Reading
(continued)

FISCAL IMPACT: (continued)

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
Department of Administration State Personnel		
<u>Expenditures:</u>		
Operating Expenses	\$132,463	\$132,463
<u>Funding of Expenditures:</u>		
Proprietary (06)	\$132,463	\$132,463
<u>Revenues:</u>		
Proprietary (06)	147,144	147,144
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	107,863	107,863
State Special Revenue (02)	99,922	99,922
Federal Special Revenue (03)	50,390	50,390
Proprietary (06)	30,828	30,828
Other	2,912	2,912